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ICC APPROVES IP MERGER WITH AMEREN

The Illinois Commerce Commission today approved the purchase and reorganization of Illinois Power Company by Ameren. The vote was unanimous.

The reorganized company will become Ameren IP, a wholly-owned subsidiary of Ameren. IP was a subsidiary of Illinova Corporation, which was itself a subsidiary of Dynegy Inc. Ameren is the parent company of three other Illinois utilities, Ameren CILCO, Ameren CIPS and Ameren UE.

Illinois Power Company provides electric service to approximately 600,000 customers and natural gas service to approximately 414,000 customers in a central and southern Illinois.

As a condition of the merger, Ameren agreed that it would establish a \$20 million fund from which asbestos costs, incurred as a result of asbestos litigation associated with power plants formerly owned by IP, could be recovered.

In its review of the proposed merger, the Commission found the reorganization would not diminish the utility's ability to provide adequate, reliable, efficient, safe and least cost service, nor result in unjustified subsidization of non-utility activities by the utility or its customers, as provided in the Public Utilities Act.

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